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April 5, 2011

Chairman Daniel R. Elliott III
Surface Transportation Board
395 E Street, S. W.
Suite 1220
Washington, DC 20423-0001

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RE: Ex Parte No. 705

Dear Chairman Elliott:

I am writing to you to express my concerns regarding the STB proceeding in Ex Parte No. 705, the purpose of which is to consider the competitive marketplace in the railroad industry. My name is Michael Checchi, I am the Director, Operations and Logistics, for OOCL (USA) Inc., an ocean carrier and transportation logistics company. OOCL transports over 500,000 container-loads of goods intermodally with North America Class 1 railroads each year. Intermodal rail transportation represents a significant portion of OOCL's annual transportation spending.

Since the passage of the Staggers Act in 1980, the nation's railroads have evolved from being an industry in serious decline to an industry that is competing in the freight transportation world. While I think there are many different reasons for this success story, I don't think anyone should underestimate the foresight shown by Congress, the Interstate Commerce Commission before 1996, and the STB after that time in providing the appropriate regulatory structure that promotes, enhances and grows the railroad industry. I applaud our government for nurturing our very important railroad industry.

I know that some customers believe that changing the regulatory structure will benefit their own interest. However, a regulatory change may harm many more shippers in the long run by reducing railroad revenue, which in turn will harm the interest of intermodal customers, as well as the public at large, who benefit from strong, financially healthy railroads that are able to invest in infrastructure expansion, terminals, and rolling stock. In addition, we are concerned that changes in regulatory rules could result in service disruptions that would adversely affect all shippers.

I appreciate your consideration of my views, and I hope the Board will work to ensure a healthy freight rail network that continues to provide a true public benefit to our nation.

Sincerely,

Michael R. Checchi